

**LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

301 State House
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FISCAL IMPACT STATEMENT

LS 7287

BILL NUMBER: SB 508

DATE PREPARED: Jan 9, 2002

BILL AMENDED:

SUBJECT: Regulation of Dams.

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**FUNDS AFFECTED: X GENERAL
DEDICATED
FEDERAL**

IMPACT: State & Local

Summary of Legislation: This bill provides for the classification by the Department of Natural Resources (DNR) of dams according to hazard level. The bill specifies that the DNR has permitting authority for the construction and operation of a structure (a dam and its appurtenant works) and changes the inspection schedule for these structures based upon hazard levels. It requires the owner of a high hazard structure to prepare and submit to the DNR and certain other state and local agencies an emergency action plan for the structure.

Effective Date: July 1, 2002.

Explanation of State Expenditures: This bill removes dams from the Dams, Dikes, and Levees Regulation under the Department of Natural Resources (DNR) to create a separate dam section. In addition to the existing regulations for dams, the bill requires that inspections be conducted and emergency action plans be created by experienced engineers. The bill also provides that all dams be classified as a High, Significant, or Low hazard.

For a High hazard dam, this bill provides that its owner must have an experienced engineer inspect the dam and prepare or revise an emergency action plan once every two years. The plan is to include actions for failure of the structure, notification system for properties affected by the failure, and estimate of potential flooding and other information as required by the DNR. The plan is also to be distributed to the DNR, State Emergency Management Agency, County Emergency Management Directors and officials they designate, and the owner's representative.

The estimated costs for a single High Hazard Dam Inspection, for a typical small earthen structure, is estimated by consultants to range between \$3,500 and \$7,500. The range, as estimated by consultants, for a single High Hazard Dam Emergency Action Plan is between \$10,000 and \$40,000. The periodic Emergency Action Plan updates, which are required once every two years, is estimated by consultants to range from

\$1,000 to \$3,000.

This bill also provides that the DNR must inspect a dam classified as a significant hazard once every three years, and a dam classified as a low hazard every five years. Currently, the DNR is required to inspect dams once every two years or more frequently on a case-by-case basis. Initial costs to the State are listed in the following table.

<i>Initial costs to the State</i>	<i>Amount</i>
Emergency Action Plan Development <ul style="list-style-type: none">• Based on approximately 20 high hazard dams• Reoccurring Costs (every two years)	\$200,000 to \$800,000
Inspections, based on approximately 20 high hazard dams	State currently conducts these inspections
Periodic Emergency Action plan updates <ul style="list-style-type: none">• Based on approximately 20 high hazard dams	\$20,000 to \$60,000

Explanation of State Revenues:

Explanation of Local Expenditures: For local agencies that own high hazard dams, the initial costs are as follows:

<i>Initial costs to Local Agencies</i>	<i>Amount</i>
Emergency Action Plan Development: <ul style="list-style-type: none">• Based on approximately 70 high hazard dams• Reoccurring Costs (every two years)	\$700,000 to \$2,800,000
Inspections, based on approximately 70 high hazard dams	\$245,000 to \$525,000
Periodic Emergency Action plan updates <ul style="list-style-type: none">• based on approximately 70 high hazard dams	\$70,000 to 210,000

Explanation of Local Revenues:

State Agencies Affected: Department of Natural Resources.

Local Agencies Affected: Local units of government responsible for dams.

Information Sources: Mike Neyer, Director, Division of Water, DNR.